MOTILAL OSWAL
FINANCIAL SERVICES

22 January 2025
3QFY25 Results Update | Sector: Technology

Persistent Systems

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	PSYS IN
Equity Shares (m)	156
M.Cap.(INRb)/(USDb)	885.7 / 10.3
52-Week Range (INR)	6789 / 3232
1, 6, 12 Rel. Per (%)	-9/25/36
12M Avg Val (INR M)	2626

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	119.1	143.9	171.8
EBIT Margin (%)	14.5	15.1	15.4
Adj. PAT	13.9	17.4	21.2
Adj. EPS (INR)	90.7	113.5	138.0
EPS Gr.(%)	20.8	25.2	21.5
BV/Sh.(INR)	377.5	445.6	528.4
Ratios			
RoE (%)	25.9	27.6	28.3
RoCE (%)	23.4	25.0	25.7
Payout (%)	40.0	40.0	40.0
Valuations			
P/E (x)	62.3	49.8	41.0
P/BV (x)	15.0	12.7	10.7
EV/EBITDA (x)	41.7	32.9	26.8
Div. Yield (%)	0.6	0.8	1.0

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	30.7	30.7	31.1
DII	26.3	27.4	26.1
FII	25.8	25.0	25.9
Others	17.2	17.0	16.9

FII Includes depository receipts

CMP: INR5,655 TP: INR7,600 (+34%) Buy

From strength to strength

Company eyes USD5b by FY31; we keep one eye on margins

- Persistent Systems (PSYS) reported 3QFY25 revenue of USD360.2m, up 4.3% QoQ in USD terms (est. 3.9%) and 4.6% in CC. EBIT margin stood at 14.9% (est. 14.4%). EBIT grew 12.2% QoQ/25.5% YoY to INR4.5b. PAT came in at INR3.7b (est. INR3.5b), up 14.8% QoQ/30.4% YoY. For 9MFY25, revenue/EBIT/PAT grew 20.3%/19.7%/21.5% vs. 9MFY24. We expect revenue/EBIT/PAT to grow by 24.2%/27.3%/22.9% YoY in 4QFY25. TTM TCV was USD594.1m, up 12% QoQ and 14% YoY (1.6x book-to-bill). We value PSYS at 55x FY27E EPS**.** Reiterate BUY with a TP of INR7,600.

Our view: Growth converging across verticals

- **Revenue growth strong and broad-based:** Unlike in previous quarters when the healthcare deal ramp-up was the key driver, revenue growth in 3QFY25 was broad-based. BFSI, Healthcare, and Hi-Tech all registered healthy growth of 4.9%, 4.3% and 3.7%, respectively.
- **We expect FY26E growth to be of a similar flavour:** While Healthcare ramp-down and short-term headwinds in the sector may lead to some slowdown, we expect BFSI and Hi-Tech to be the fastest-growing verticals for the industry overall and for PSYS as well.
- **On track for USD2b in revenues by FY27, but the goal-post shifts to FY31**: We are enthused by the management's continued guidance of achieving USD2b in revenue by FY27. This implies a CAGR of 19% over FY24-FY27, making PSYS one of the fastest-growing companies in the industry. We admire management's focus and clarity of thought, though we seek more clarity on the FY31 revenue target of USD5b, which implies a CAGR of 25% over FY27-31.
- **Margins, however, are a risk**: Despite healthy 3% headcount addition, utilization stands at 87% and key margin levers are now maxed out. SG&A leverage still remains a key lever; however, we estimate only a modest margin expansion of 50bp over FY26E (another 20bp by FY27E) despite the management reiterating its target of 200-300bp margin expansion over the medium term.

Valuation and changes in our estimates

- **We project a 19% USD revenue CAGR over FY24-27E for PSYS**, which, combined with margin expansion, could result in a ~21%+ EPS CAGR. This places PSYS in a league of its own as a diversified product engineering and IT services player, justifying a premium valuation multiple.
- Our estimates are largely unchanged. The stock is currently trading at an admittedly expensive valuation. That said, owing to its superior earnings growth trajectory, on a PEG basis, we believe the valuation still has room for upside. We value PSYS at 55x FY27E EPS. **Reiterate BUY with a TP of INR7,600.**

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Revenue and margins beat estimates; BFSI & Healthcare led growth

- 3QFY25 revenue stood at USD360.2m, up 4.3% QoQ in USD terms (above our estimate of 3.9% QoQ). It reported CC growth of 4.6% QoQ.
- Growth was led by BFSI (up 4.9% QoQ) and Healthcare (up 4.3% QoQ).
- EBIT margin at 14.9% was up by 90bp QoQ and above our estimate of 14.4%.
- TTM TCV was USD594.1m, up 12% QoQ and 14% YoY (1.6x book-to-bill; in line with average for the past two years).
- Net new TCV was down 14%% QoQ at USD333.6m. ACV stood at USD428.3m.
- Net headcount improved by 3.0% QoQ. Utilization was up 260bp QoQ at 87.4%. TTM attrition was up 60bp QoQ at 12.6%.
- The top-5 clients witnessed 2.3% QoQ growth, whereas the top 10 clients remained flat QoQ.
- EBITDA grew 11.9% QoQ/21.7% YoY to INR5.4b and EBITDA margin came in at 17.6%, above our estimate of 17.0%.
- Adj. PAT stood at INR3.7b (up 14.8% QoQ/30.4% YoY), above our estimate of INR3.5b.

Key highlights from the management commentary

- The sentiment is improving in certain business segments, with a buoyant outlook.
- All verticals have now achieved a quarterly revenue run rate of USD100m+.
- The company has set near-term revenue aspirations of USD2b by FY27 and USD5b by FY31. Key initiatives include: 1) doubling down on the top 100 clients, 2) expanding alternative service lines, such as Private Equity, and 3) developing 12-15 sub-vertical growth engines within three primary verticals.
- The layering of TCV is contributing to revenue growth, and the pipeline remains healthy.
- While there are signs of improvement, the company believes it is too early to declare a victory for these green shoots.
- Future margin improvements are anticipated through cost optimization, including pricing strategies to drive non-linear revenues and optimizing SG&A expenses.
- Utilization at 85% is comfortable. It increased to 87.4% in 3Q and is expected to be around that level for a few quarters.
- An interim dividend of INR20 per share was declared for the quarter.

Valuation and view

- Our estimates are broadly unchanged. The stock is currently trading at an admittedly expensive valuation. That said, owing to its superior earnings growth trajectory, on a PEG basis, we believe the valuation still has room for upside. We value PSYS at 55x FY27E EPS. **Reiterate BUY with a TP of INR7,600.**

Quarterly Performance (IFRS)

Y/E March	FY24				FY25E				FY24	FY25E	Est.	Var. (% /
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY25	bp)
Revenue (USD m)	282.9	291.7	300.6	310.9	328.2	345.5	360.2	374.2	1,186	1,408	358.9	0.4
QoQ (%)	3.0	3.1	3.0	3.4	5.6	5.3	4.3	3.9	14.5	18.7	3.9	37bp
Revenue (INR m)	23,212	24,117	24,982	25,905	27,372	28,972	30,623	32,180	98,216	1,19,146	30,267	1.2
QoQ (%)	3.0	3.9	3.6	3.7	5.7	5.8	5.7	5.1			4.5	123bp
YoY (%)	23.6	17.7	15.2	14.9	17.9	20.1	22.6	24.2	17.6	21.3	21.2	143bp
GPM (%)	34.2	33.1	33.8	33.3	33.0	33.4	34.7	34.0	33.6	33.8	33.5	119bp
SGA (%)	16.0	16.3	16.1	15.7	16.4	16.8	17.1	16.5	16.0	16.7	16.5	63bp
EBITDA	4,229	4,052	4,418	4,544	4,552	4,807	5,378	5,632	17,243	20,369	5,145	4.5
EBITDA Margin (%)	18.2	16.8	17.7	17.5	16.6	16.6	17.6	17.5	17.6	17.1	17.0	56bp
EBIT	3,466	3,308	3,631	3,744	3,840	4,062	4,557	4,768	14,149	17,227	4,367	4.3
EBIT Margin (%)	14.9	13.7	14.5	14.5	14.0	14.0	14.9	14.8	14.4	14.5	14.4	45bp
Other income	90	250	262	210	165	283	263	257	813	969	242	8.7
ETR (%)	22.0	26.0	26.5	20.3	23.5	25.2	22.6	22.9	23.7	23.5	23.0	
Adj. PAT	2,774	2,633	2,861	3,153	3,064	3,250	3,729	3,876	11,421	13,919	3,549	5.1
QoQ (%)	10.3	-5.1	8.7	10.2	-2.8	6.1	14.7	3.9			9.2	553bp
YoY (%)	31.1	19.7	6.9	25.4	10.5	23.4	30.3	22.9	20.1	21.9	24.0	628bp
Reported EPS (INR)	15.0	17.3	18.8	20.7	19.9	21.2	24.3	25.3	71.9	90.7	23.2	5.0

Key Performance Indicators

Y/E March	FY24				FY25			FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Revenue (QoQ CC %)	2.9	3.2	3.1	3.4	5.6	5.1	4.6	
Margins								
Gross Margin	34.2	33.1	33.8	33.3	33.0	33.4	34.7	0.3
EBIT Margin	14.9	13.7	14.5	14.5	14.0	14.0	14.9	0.1
Net Margin	12.0	10.9	11.5	12.2	11.2	11.2	12.2	0.1
Operating metrics								
Headcount	23,130	22,842	23,336	23,850	23,519	23,237	23,942	23,850
Voluntary Attrition (%)	15.5	13.5	11.9	11.5	11.9	12.0	12.6	11.5
Utilisation (%)	78.3	80.6	81.5	80.0	82.1	84.8	87.4	80.0
Effort Mix(%)								
Global Delivery Centers	13.1	12.7	13.8	14.8	15.2	15.8	15.1	14.1
India	86.9	87.3	86.2	85.2	84.8	84.2	84.9	85.9

Highlights from the management commentary

Growth and demand outlook

- The sentiment is improving in certain business segments.
- All verticals have now achieved a quarterly revenue run rate of USD100m+.
- The company has set near-term revenue aspirations of USD2b by FY27 and USD5b by FY31. Key initiatives include: 1) doubling down on the top 100 clients, 2) expanding alternative service lines, such as Private Equity, and 3) developing 12-15 sub-vertical growth engines within three primary verticals.
- Revenue stood at USD360.2m, up 4.6% QoQ in CC. Furloughs had a 100bp impact on revenue, while contributions from Starfish and Arkaa added 35bp.
- TCV was USD594m. Strong bookings in 3Q were driven by renewals occurring at the fiscal year-end in North America.
- The layering of TCV is contributing to revenue growth, and the pipeline remains healthy.
- While there are signs of improvement, the company believes it is too early to declare a victory for these green shoots.

- **Healthcare & Life Sciences**: Achieved a revenue run rate of USD100m+. The company believes there are opportunities for growth under the new administration as well.
- The company aims to increase its revenue contribution from Europe to 12-13% from the current 8-9%.
- Utilization at 85% is comfortable. It increased to 87.4% in 3Q and is expected to be around that level for a few quarters.
- It plans to improve the employee pyramid structure over the coming quarters.
- PSYS aims to decouple revenue growth from headcount growth, enhancing revenue per employee.
- The company has filed over 20 patents in areas such as core AI, Agentic AI, and productivity measurement.
- Its AI-driven tech platform, SASVA, enhances end-to-end lifecycle solutions. SASVA's quality engineering (QE) capabilities reduce testing time and facilitate legacy framework migration.
- An interim dividend of INR20/share was declared for the quarter.

Margin performance and outlook

- EBIT margin stood at 14.9%, up 90bp QoQ.
- Margin walk: **Headwinds**: Furloughs (-60bp), lower earn-out credit compared to the previous quarter (-100bp).
- **Tailwinds**: Improved utilization, rationalization of contract costs in healthcare, and successful offshoring efforts (+140 bps), cross-currency benefits (+50bp), lower ESOP costs (+20bp), and a combination of reduced resale revenue and improved pricing (+40bp).
- **The impact of the earn-out reversal is expected to spill over into the next quarter.**
- **Future margin improvements are anticipated through cost optimization, including pricing strategies to drive non-linear revenues and optimizing SG&A expenses.**
- The company aims to leverage its intellectual property (IP) to achieve differentiated pricing, which will act as a growth lever.

Exhibit 1: Growth led by the Healthcare and BFSI

Verticals (QoQ USD, %)	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
BFSI	14.5	9.8	15.6	3.0	2.8	2.9	6.2	0.0	-0.5	1.8	5.9	7.7	4.9
Healthcare and Lifesciences	6.6	9.1	6.9	4.8	2.9	4.4	-2.7	7.0	16.4	14.8	16.5	9.6	4.3
Software and Hi-tech and Emerging verticals	6.9	8.7	10.0	8.3	4.1	4.3	3.2	3.8	0.1	-0.8	-0.5	0.8	3.7

Source: Company, MOFSL

Exhibit 2: Strong growth in RoW and Europe

Geographies (QoQ USD, %)	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
North America	9.9	8.3	10.9	6.1	1.5	4.9	4.7	3.1	3.7	3.9	6.4	6.1	3.2
Europe	3.0	10.5	12.5	3.3	12.2	18.9	-3.0	1.0	-3.5	-9.4	5.6	6.6	8.2
RoW	9.2	13.5	12.0	5.0	10.6	-11.8	-3.1	5.0	4.0	9.8	0.3	-1.1	9.1

Source: Company, MOFSL

Valuation and view:

- Our estimates are broadly unchanged. The stock is currently trading at an admittedly expensive valuation. That said, owing to its superior earnings growth trajectory, on a PEG basis, we believe the valuation still has room for upside. We value PSYS at 55x FY27E EPS. **Reiterate BUY with a TP of INR7,600.**

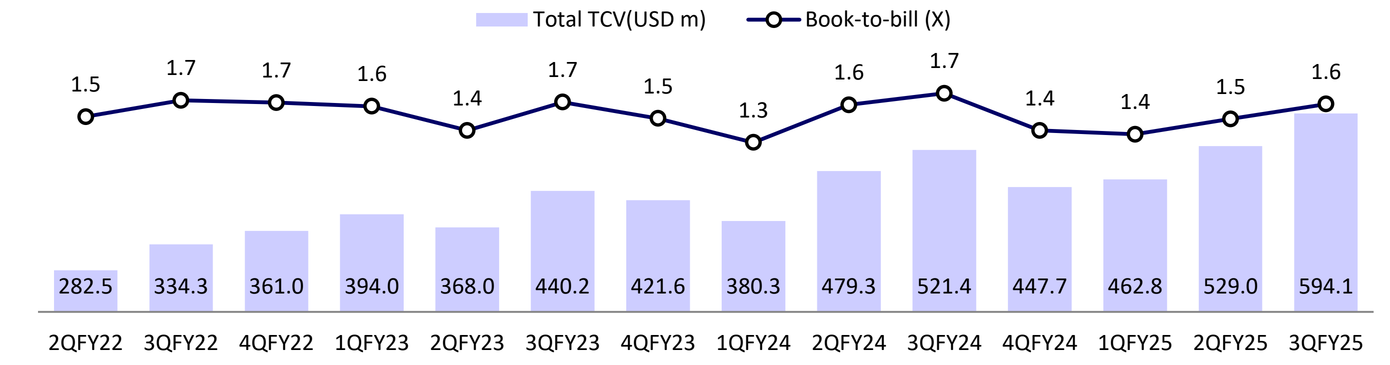
Exhibit 3: Changes to our estimates

	Revised			Earlier			Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
INR/USD	84.6	86.0	86.0	84.1	84.9	84.9	0.5%	1.3%	1.3%
USD Revenue (m)	1,408	1,673	1,998	1,404	1,667	1,990.5	0.3%	0.4%	0.4%
Growth (%)	18.7	18.8	19.4	18.3	18.7	19.4	40bps	10bps	0bps
EBIT margin (%)	14.5	15.1	15.4	14.2	15.5	15.2	20bps	-40bps	30bps
PAT (INR m)	13,919	17,423	21,175	13,561	17,859	20,864.1	2.6%	-2.4%	1.5%
EPS	90.7	113.5	138.0	88.5	116.5	136.1	2.5%	-2.5%	1.4%

Source: MOFSL, Company

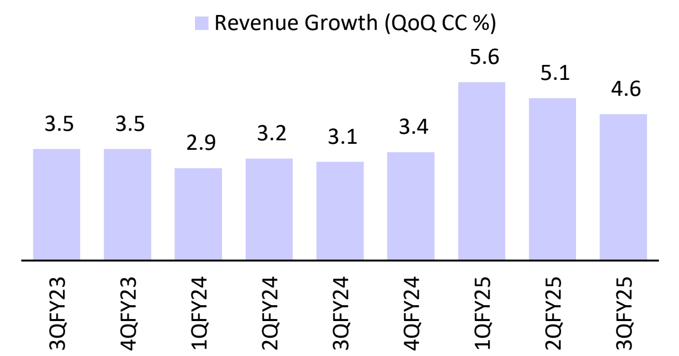
Story in charts

Exhibit 4: Total TCV reached USD594.1m in 3QFY25 as 3Q being seasonally good quarter for bookings



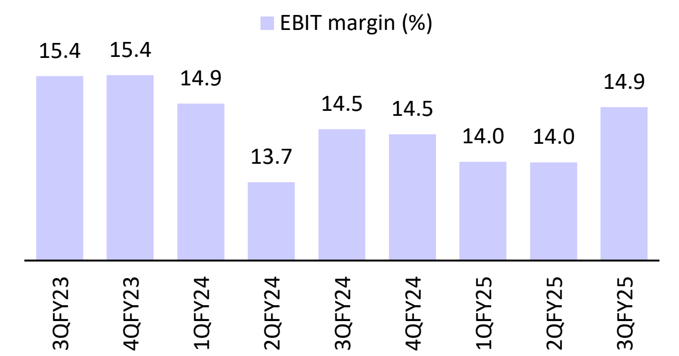
Source: Company, MOFSL

Exhibit 5: Strong 4.6% QoQ CC growth in 3QFY25 despite furloughs



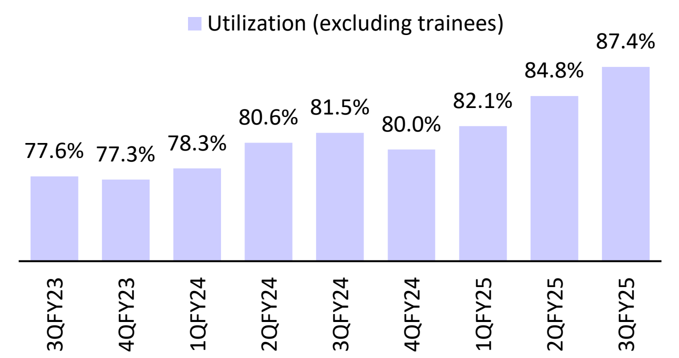
Source: Company, MOFSL

Exhibit 6: EBIT margins improved 90bps due to improved utilization and costs optimization



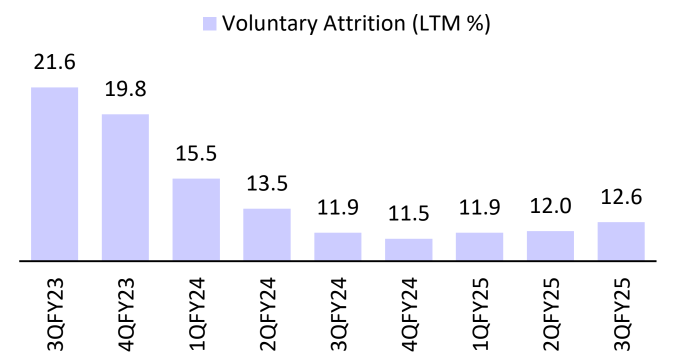
Source: Company, MOFSL

Exhibit 5: Utilization improved by 260bp to 87.4% in 3QFY25



Source: Company, MOFSL

Exhibit 6: Attrition rate increased by 60bp QoQ



Source: Company, MOFSL

Exhibit 9: Operating metrics

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Geography (%)									
North America	77.1	77.9	79.2	79.2	79.7	80.1	80.7	81.3	80.5
Europe	9	10.3	9.7	9.5	8.9	7.8	7.8	7.9	8.2
RoW	13.9	11.8	11.1	11.3	11.4	12.1	11.5	10.8	11.3
Vertical Mix (%)									
BFSI	32.6	32.3	33.3	32.3	31.2	30.7	30.8	31.5	31.7
Healthcare & Life Science	19.6	19.7	18.6	19.3	21.8	24.2	26.7	27.8	27.8
Tech. Cos. & Emerging Verticals	47.8	48	48.1	48.4	47	45.1	42.5	40.7	40.5
Client Metrics (%)									
Top 5 Clients	24.7	26.5	27.9	28.3	28	29.2	30.7	31.4	30.8
Top 10 Clients	35	37.4	39.6	39.5	39.3	40	41.5	41.5	40
Employee Metrics									
Technical People	21,033	21,295	21,511	21,263	21,738	22,224	21,866	21,675	22,407
Sales & BD	405	414	428	443	465	484	510	492	489
Others	1,160	1,180	1,191	1,136	1,133	1,142	1,143	1,070	1,046
Total	**22,598**	**22,889**	**23,130**	**22,842**	**23,336**	**23,850**	**23,519**	**23,237**	**23,942**
Effort Mix									
- Global Delivery Centers	14.30	13.1	13.10	12.70	13.80	14.8	15.20	15.80	15.10
- India	85.70	86.9	86.90	87.30	86.20	85.2	84.80	84.20	84.90
Attrition (%)	77.6	77.3	78.3	80.6	81.5	80	82.1	84.8	87.4
Linear Utilization %	21.6	19.8	15.5	13.5	11.9	11.5	11.9	12.0	12.6

Source: Company, MOFSL

Financials and valuations

Income Statement								(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Sales	**35,658**	**41,879**	**57,107**	**83,506**	**98,216**	**1,19,146**	**1,43,852**	**1,71,796**
Change (%)	5.9	17.4	36.4	46.2	17.6	21.3	20.7	19.4
Cost of Goods Sold	23,494	27,650	37,895	55,315	65,231	78,862	95,845	1,14,244
Gross Profit	**12,164**	**14,229**	**19,212**	**28,191**	**32,985**	**40,284**	**48,006**	**57,552**
Selling Expenses	7,234	7,398	9,556	12,999	15,742	19,916	22,374	26,457
EBITDA	**4,930**	**6,830**	**9,656**	**15,191**	**17,243**	**20,369**	**25,633**	**31,095**
% of Net Sales	13.8	16.3	16.9	18.2	17.6	17.1	17.8	18.1
Depreciation	1,660	1,756	1,660	2,719	3,094	3,141	3,858	4,608
EBIT	**3,270**	**5,075**	**7,996**	**12,472**	**14,149**	**17,227**	**21,775**	**26,487**
% of Net Sales	9.2	12.1	14.0	14.9	14.4	14.5	15.1	15.4
Other Income	1,254	1,020	1,321	233	813	969	1,151	1,374
PBT	**4,523**	**6,094**	**9,317**	**12,705**	**14,962**	**18,196**	**22,925**	**27,862**
Tax	1,121	1,588	2,339	3,198	3,541	4,277	5,502	6,687
Rate (%)	24.8	26.1	25.1	25.2	23.7	23.5	24.0	24.0
Extraordinary Item	0	0	75	297	486	0	0	0
Adjusted PAT	**3,403**	**4,507**	**6,904**	**9,211**	**10,935**	**13,919**	**17,423**	**21,175**
Change (%)	28.4	32.4	53.2	33.4	18.7	27.3	25.2	21.5

Balance Sheet								(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Share Capital	764	764	764	764	770	770	770	770
Other Reserves	23,093	27,192	32,918	38,887	48,807	57,158	67,612	80,317
Net Worth	**23,858**	**27,957**	**33,682**	**39,651**	**49,577**	**57,928**	**68,382**	**81,087**
Loans	46	44	4,889	4,947	99	99	99	99
Other liabilities	544	957	1,360	2,013	2,218	2,691	3,249	3,880
Capital Employed	**24,448**	**28,958**	**39,931**	**46,610**	**51,894**	**60,719**	**71,731**	**85,067**
Net Block	**2,791**	**3,254**	**4,276**	**7,058**	**6,727**	**7,086**	**6,727**	**5,620**
CWIP	166	122	1,071	161	335	335	335	335
Intangibles	1,661	1,315	11,060	16,355	15,488	15,488	15,488	15,488
Investments	4,621	3,621	3,878	4,516	5,539	5,539	5,539	5,539
Deferred Tax Assets	960	1,038	1,123	1,129	1,360	1,649	1,991	2,378
Other	866	602	4,394	1,792	3,056	3,707	4,475	5,345
Current Assets	**19,856**	**26,703**	**28,339**	**35,179**	**41,232**	**50,911**	**64,109**	**80,620**
Debtors	5,922	5,709	9,484	15,705	16,761	18,933	22,859	27,299
Investments	5,165	13,765	10,514	6,242	6,330	11,830	17,330	22,830
Cash & BB	4,572	2,419	2,978	4,670	6,625	6,178	7,054	10,349
Loans & Advances	14	71	16	-	-	-	-	-
Other Current Assets	4,183	4,739	5,347	8,562	11,515	13,969	16,866	20,142
Current Liab. & Prov	**6,474**	**7,697**	**14,210**	**19,581**	**21,842**	**23,996**	**26,934**	**30,258**
Trade payables	2,247	2,733	4,299	5,689	8,139	9,466	11,429	13,650
Other Liabilities	2,616	2,486	5,961	9,243	10,372	10,489	10,627	10,782
Provisions	1,611	2,478	3,950	4,649	3,331	4,040	4,878	5,826
Net Current Assets	**13,382**	**19,006**	**14,130**	**15,598**	**19,390**	**26,915**	**37,175**	**50,362**
Application of Funds	**24,448**	**28,958**	**39,931**	**46,610**	**51,894**	**60,719**	**71,731**	**85,067**

Financials and valuations

Ratios								
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
EPS	**22.3**	**29.5**	**45.7**	**62.5**	**75.1**	**90.7**	**113.5**	**138.0**
Cash EPS	33.1	41.0	56.5	80.4	95.4	111.2	138.7	168.0
Book Value	156.1	182.9	220.4	260.7	325.9	377.5	445.6	528.4
DPS	6.0	10.0	15.5	25.0	26.0	36.3	45.4	55.2
Payout (%)	26.9	33.9	33.9	40.0	34.6	40.0	40.0	40.0
Valuation (x)								
P/E ratio	254.0	191.7	123.9	90.5	75.3	62.3	49.8	41.0
Cash P/E ratio	170.7	138.0	100.1	70.4	59.3	50.9	40.8	33.7
EV/EBITDA ratio	173.3	124.2	88.6	56.2	49.1	41.7	32.9	26.8
EV/Sales ratio	24.0	20.2	15.0	10.2	8.6	7.1	5.9	4.9
Price/Book Value	36.2	30.9	25.7	21.7	17.4	15.0	12.7	10.7
Dividend Yield (%)	0.1	0.2	0.3	0.4	0.5	0.6	0.8	1.0
Profitability Ratios (%)								
RoE	14.4	17.4	22.6	25.9	25.6	25.9	27.6	28.3
RoCE	10.2	14.1	17.4	21.6	21.9	23.4	25.0	25.7
Turnover Ratios								
Debtors (Days)	61	50	61	69	62	58	58	58
Asset Turnover (x)	13.9	13.9	15.2	14.7	14.2	17.3	20.8	27.8

Cash Flow Statement								(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
CF from Operations	4,597	5,781	8,857	13,935	14,265	17,060	21,282	25,783
Chg. in Working Capital	-1,369	1,578	-407	-4,377	-2,052	-2,940	-4,437	-5,018
Net Operating CF	**3,229**	**7,359**	**8,450**	**9,558**	**12,213**	**14,121**	**16,845**	**20,764**
Net Purchase of FA	-746	-1,251	-3,808	-4,290	-2,710	-3,500	-3,500	-3,500
Free Cash Flow	**2,483**	**6,108**	**4,642**	**5,268**	**9,503**	**10,621**	**13,345**	**17,264**
Net Purchase of Invest.	597	-4,166	-5,965	76	-1,985	-5,500	-5,500	-5,500
Net Cash from Inv.	**-148**	**-5,417**	**-9,773**	**-4,213**	**-4,695**	**-9,000**	**-9,000**	**-9,000**
Issue of shares	0	0	0	0	1,608	0	0	0
Proceeds from LTB/STB	-2,344	-3,044	3,810	-1,059	-3,461	0	0	0
Dividend Payments	-2,978	-1,070	-1,987	-2,981	-4,084	-5,568	-6,969	-8,470
Net CF from Finan.	**-5,321**	**-4,114**	**1,823**	**-4,039**	**-5,937**	**-5,568**	**-6,969**	**-8,470**
Net Cash Flow	**-2,241**	**-2,171**	**499**	**1,305**	**1,581**	**-447**	**876**	**3,294**
Exchange difference	84	19	59	387	374	0	0	0
Opening Cash Balance	**6,729**	**4,572**	**2,420**	**2,979**	**4,671**	**6,626**	**6,179**	**7,055**
Closing Cash Balance	**4,572**	**2,420**	**2,979**	**4,671**	**6,626**	**6,179**	**7,055**	**10,350**

E: MOFSL estimates

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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